



Senator Murray Clark

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News from the Indiana State Senate

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Commission Studies Methods To Replace Property Tax

“We want a better system,” and “Do no harm,” were the sentiments echoed in the Property Tax Replacement Study Commission, which has met several times at the Statehouse. The property tax situation in Indiana is a frustration shared by many as the newly-formed committee, consisting of legislators, farmers, businessmen, and homeowners, develops methods to reduce local government’s reliance on property taxes.

The reassessment process is complete in almost every county in Indiana, and agencies and organizations are collecting data that will aid the commission and the legislature in figuring ways to replace over \$5.5 billion in property taxes collected each year and to provide oversight of over 9,000 levies and 172 different types of funds for local government programs and services.

This monumental task is being conducted due to a law passed during the 2004 legislative

session. The committee must study the effects of eliminating 50 percent, 75 percent, and 100 percent of net property tax levies.

One major hurdle for the commission is to identify revenue sources capable of replacing property taxes and providing sufficient revenue to maintain essential government services. The commission will submit status reports to the Legislative Council, which is the administrative body of the General Assembly, in September.

The commission broke down into small groups that will work on five major issues during the year: Property Tax Administration Issues; Local Government Services; Long Term Debt Issues; Other State Tax Systems; and Property Tax Levies and Controls.

The goal is to lessen local governments’ dependence on property taxes and create a more equitable and fair method of funding local government.

2-1-1 Telephone Program New to Indiana

We are living in an age where information is as close as a click of a mouse button. In the past few years, there has been a dramatic increase in the number of agencies and help centers available to answer problems we citizens may encounter. Despite this abundance of information, it is difficult to know where to turn for specific questions. With the introduction of a new and free telephone service, help is now a short phone call away.

2-1-1 is a new service that provides immediate access to every certified social service agency and non-profit organization in the state of Indiana. 2-1-1 offers information on health insurance programs, support groups, home health care, after school programs, protective services, and volunteer opportunities.

Currently, 20 counties are using 2-1-1 and legislation has been authored to establish the

program throughout Indiana. House Enrolled Act 1344 requests absolutely no state money, while creating an account for future funds. The Cinergy Foundation, funded by Cinergy shareholders, has pledged over \$600,000 to help fund this program over the next three years.

2-1-1 works in the same way that 9-1-1 operates for emergencies and 4-1-1 works for general information. The goal is to have this service available 24 hours per day, 7 days per week. The State will continue to work diligently with the Indiana 211 Partnership to develop this service statewide.

HEA 1344 passed the full Senate and House and was signed the governor in March. For more information, please visit the web at www.in211.org.

Get Involved! How you can participate in the Indiana General Assembly

Voting is one very important way to make sure your views and concerns are being represented in government, but there are many other ways citizens can get involved to make our state a better place to live.

Write letters: During a typical day, a public official receives dozens of messages conveying his or her constituents’ interest in a particular bill or issues. The key to getting your public officials’ attention is to keep it simple, keep it short and make sure it’s directed to the right person.

Attend Interim Study committees: During the interim, state legislators and local leaders meet publicly in study committees and commissions to discuss a variety of topics and decide if legislation is needed during the upcoming session. This is a great opportunity to hear discussion and voice your opinion. You can find the calendar of meetings online at: www.in.gov/legislative/interim/calendar. The calendar is updated regularly.

Attend Standing Committees: The legislative session allows the opportunity

for citizens to come down to the Statehouse and listen to proposed legislation and provide public testimony. Often, you must request an opportunity to speak by contacting the committee chairmen before the meeting. Find information online at: www.in.gov/legislative/session

Visit web sites: The General Assembly and all state agencies have web sites that are available with information on a variety of topics and who to contact if you want more information. The General Assembly site has an area dedicated to when committee meetings are going, legislative surveys and links to email your senator. Go to www.in.gov/legislative or visit www.in.gov/senate_republicans

Organize or attend local events: Many local communities have a variety of organizations dedicated to furthering a cause or improving the lives of its citizens. A great way to stay involved and give back is to attend functions sponsored by these groups. If you feel that an area needs representation, form an organization and work together to further your cause.

Students Can Serve As Senate Pages

The General Assembly offers students an important learning opportunity at the Statehouse.

Any student from 6th grade to 12th grade can sign up to serve as a page for a day. Students will be excused from school for the day.

Pages spend a day in the Senate assisting their local legislators. Responsibilities include responding to senators’ requests, delivering messages and running errands. The day includes a tour of the Statehouse and observation of a session, if one is in progress.

Those interested in serving as a page should send their name, age, address, phone number and school affiliation to my office. The Page Office will begin accepting requests in November.

Stay connected
to the Indiana General Assembly
by visiting
www.in.gov/legislative

You can also visit
my legislative web site at:

www.in.gov/S29

Send letters to:

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Education Update: No Child Left

The biggest challenge many states are facing in education is how to implement the **No Child Left Behind Act of 2001** (NCLB) that was signed into law by President George W. Bush on January 8, 2003. The act expanded the federal role in education and set in place requirements that reach into every public school in America.

Thanks to the leadership of the General Assembly, Indiana helped lead the nation in school reform with the passage of **Public Law 221** in 1999. P.L. 221 is Indiana's school improvement and accountability law that put in motion many of the same requirements that NCLB requires. The law focuses on improving education for all schools and ensuring Hoosier students have the skills they need to succeed.

In recent months there has been criticism of potential flaws in NCLB. Congress and the Federal Department of Education are working to address these concerns, to allow more flexibility for low performing schools, and to improve special education. The General Assembly is committed to making sure that Indiana continues to ensure that no child is left behind. For more information on this topic and other education related issues, please visit the Indiana Department of Education web site at www.doe.state.in.us.

Both NCLB and P.L. 221 require the following from our public schools and educators:

- High academic standards
- Assessment using tests aligned with the standards
- Accountability for achievement
- Focus on the needs of all children
- Highly qualified teachers
- School safety measures
- School report cards
- Comprehensive data system (www.asap.state.in.us)

Protect Yourself from Identity Theft

On an average day, someone may pay for gas at the pump, write a check at the grocery store or purchase some merchandise online without giving a second thought to these transactions; however, these seemingly innocent tasks could leave an individual vulnerable to a new breed of robbery.

Identity theft is quickly becoming the most prevalent and costly crime in the nation. Researchers estimate that criminals steal more than 600,000 victims' identities each year, costing consumers and the financial industry billions of dollars.

In 2003, the General Assembly passed legislation strengthening Indiana's identity theft law by protecting not only a person's Social Security number, but also his or her address, phone number, place of employment, employer's identification number and his or her mother's maiden name. The law also includes provisions to help victims untangle the damage incurred on their credit history by an identity thief.

Often, consumers are not aware that their identities have been stolen. Each of us can help protect our information by being cautious. If you would like more informa-

tion, contact the Consumer Protection Division in the Indiana Attorney General's office, toll-free, at 1-800-382-5516 or visit www.in.gov/attorneygeneral.

Reduce the chances of identity theft in your everyday life:

- Monitor the balances of your financial accounts and look for unexplained charges or withdrawals
- Track your mail. Failing to receive bills or other mail may signal an address change by an identity thief, as does receiving credit cards for which you did not apply
- Order a copy of your credit reports. Federal law allows consumers to get one free credit report per year
- Guard your Social Security number. Give it out only when absolutely necessary
- Invest in a cross-cutting paper shredder. Destroy credit card applications, checks, receipts, insurance documents and anything with your identifying information.

Senators Study Variety of Topics In Summer Committee Meetings

Clark serves on four panels during interim

This year, I am serving as chair of the **Health and Child Care Issues Evaluation Committee**. The committee will specifically review the recent audit of the Child Care Development Fund and audit the license fees collected by the Health and Professions Bureau.

I am also serving on the following panels:
Probate Code Study Commission: This commission studies and recommends changes to the General Assembly dealing with probate code, trust code and any other statutes affecting the administration of an estate, guardianship, probate jurisdiction, trust or fiduciaries.

Interim Study Committee on Technology Issues: This committee is looking at broadband internet matters, geographic information systems funding and the impact of technological advances on the Open Door and Access to Public Records Acts.

Lewis and Clark Bicentennial Commission:

This commission educates Indiana residents and the nation about Indiana's important role in the Lewis and Clark expedition and coordinates state, local and non-profit organizations' bicentennial activities occurring in Indiana.

State Faces Tough Budget Decisions in 2005

Indiana Personal Income Lags the Nation

On July 12, the state closed the books for Fiscal Year 2004. According to official figures released by the State Budget Agency, the state is expected to have a "surplus" or "reserve" of just \$300 million on June 30, 2005 – the close of the current budget cycle. As shown on **Figure 1**, this means the state's reserve will have declined by nearly \$2 billion since 1998.

The problem is that state spending has been exceeding state revenues for the past several years. State revenue collections actually decreased in both Fiscal Years 2001 and 2002 before showing a 0.5 percent increase in 2003. Revenue collections

increased by about 2.7 percent for Fiscal Year 2004, the year that just ended.

In order to avoid big spending cuts in education and health care, the state has been using the surplus and employing spending delays and other temporary solutions. These measures make it possible for the state to spend nearly \$800 million more than it will collect this year. While there is nothing inherently wrong with these accounting measures – they have helped the state avoid big spending cuts in our schools - these measures are only one-time temporary fixes and cannot be sustained. So, while it may seem like Indiana's economy is improving,



the state's financial condition actually remains very weak.

A \$300 million reserve sounds like a lot of money. But with an annual \$11.2 billion General Fund Budget, including big items such as \$4.3 billion for K-12 education, \$2.1 billion for local property tax relief, \$1.4 billion for universities and \$1.2 billion for Medicaid, \$300 million really is not a sufficient reserve. In fact, the State Budget spends more than \$30 million per day every day of the year. A \$300 million reserve barely funds 10 days of expenses.

The root of Indiana's budget problems is slow revenue growth. Part of the problem is job loss due to the recession. But the real problem is that Indiana lags the nation in personal income growth. As reflected in **Figure 2**, the problem has steadily grown since 1996. Today, the average Hoosier worker earns only about 91 cents for every \$1.00 earned by the average worker nationwide. Just as Hoosier workers earn less, state tax revenues lag as well. If Indiana workers earned the same as the national average, the subsequent gain in tax revenues would erase the state's structural deficit. Indiana needs to improve its economy relative to the nation or Indiana's budget – and the ability to adequately fund priorities like education and health care - will remain a problem.

Beginning in January, the General Assembly will start work on the state budget for the next biennium. Much of the discussion will center on adequate funding for education and health care. But, it is equally important to continue to try to find ways to diversify the economy and stimulate business investment as the real long term solution to the state's budget dilemma.

Figure 1

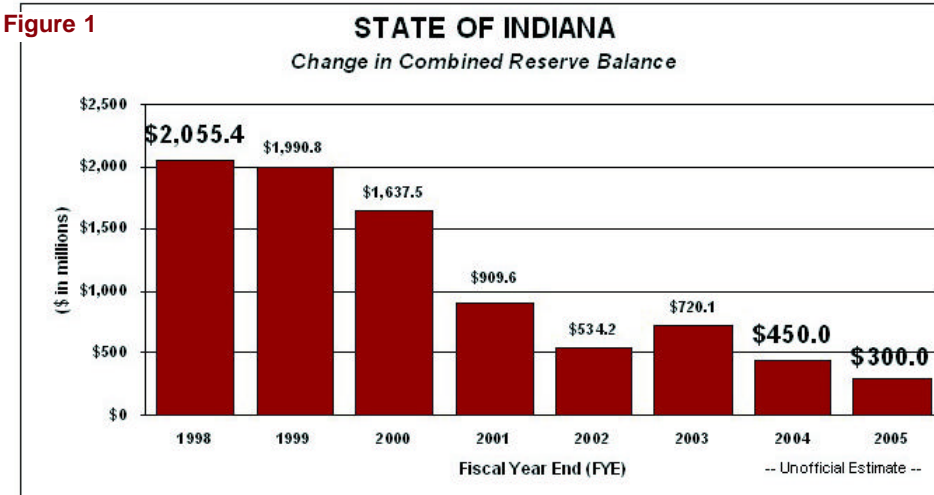


Figure 2

